

# Chapter 1

## Background

### Overview of Vocational Rehabilitation for Veterans

This report provides the findings and recommendations of the Department of Veterans Affairs Task Force chartered by the Secretary to identify changes necessary to rebuild the Vocational Rehabilitation and Employment Service to best provide service-disabled veterans the opportunities and services they need for working and living productively in the 21st Century. (For purposes of this report, the name Vocational Rehabilitation and Employment Service means the Central Office organization and field structure. In practice, the name refers only to the Central Office.)

The VR&E Service is one of five business lines within the Veterans Benefits Administration that provides benefits and services to veterans. The VR&E Service primarily delivers Chapter 31 rehabilitation services to assist veterans with service-connected disabilities to compete for and keep jobs in the civilian workforce. For those veterans with a serious employment handicap, and for whom employment is not currently an option, the program provides a wide range of independent living services. The VR&E Service also provides benefits and services to eligible family members.

The VR&E Service administers four benefits programs authorized under Title 38 U.S.C. and the Task Force endeavors were focused on two of these programs —

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*The purposes of Chapter 31 are “to provide for all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.” – 38 U.S.C. § 3100*

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Chapter 31 (Training and Rehabilitation for Veterans with Service-Connected Disabilities) and Chapter 36 (Educational Vocational Counseling). An overview of the four programs, including Chapter 18 (Vocational Training for Vietnam Veterans’ Children with Spina Bifida) and Chapter 35 (Dependents Education Assistance), is provided in Appendix 10.

The VR&E Service delivers the benefits of these four programs through a decentralized service delivery network composed of 56 VBA

Regional Offices and 138 out-based offices. This network is staffed with a VR&E workforce of about 1,000 professional Vocational Rehabilitation Counselors and support specialists along with a complement of contract counselors and other professionals.

Three key features distinguish the VR&E service delivery strategy from the service delivery strategies of VBA’s other lines of business. First, the VR&E

Service provides individualized services that require face-to-face interaction with the veteran to deliver the benefits and services in contrast to VBA's other lines of business that focus on claims processing. Second, the life cycle of an active VR&E case may extend over four or more years. Third, VR&E has the largest out-based network of service delivery points of any VBA business line. The VR&E Service workload is predominately driven by two factors: the number of veterans applying for rehabilitation and training benefits and services (Chapter 31, Title 38); and the number of veterans who actually enter into the development and implementation of a rehabilitation plan. The number of veterans applying for Chapter 31 benefits increased by 73 percent — from 37,829 in FY 1992 to 65,298 in FY 2003. During the same time period, the number of veterans in various active phases of the Chapter 31 program was 58,155 at the end of FY 1992 compared to 97,158 at the end of FY 2003; a 67 percent increase. It is important to note, however, that despite the tens of thousands of program participants, the number of veterans rehabilitated by obtaining a job or achieving independent living goals has averaged only about 10,000 a year for several years.

### *Evolution of Vocational Rehabilitation for Veterans*

Vocational rehabilitation began as a government service to war-injured veterans and disabled citizens during the World War I era. In 1917, the War Risk Insurance Act of 1914 was amended to provide rehabilitation and vocational training for veterans with dismemberment injuries, injuries to their sight or hearing, and other injuries resulting in permanent disability.

Although the legislative history of VA's vocational rehabilitation program has not been as dynamic as the Compensation and Pension Program or perhaps VBA's other lines of business, the basis for the program has changed substantively since it was first created. At the same time, the organization that has administered this program within VBA has also evolved. The following legislative history of the VR&E Program provides a context for understanding many of the issues that have impacted reform.

### *Legislative History*

Since the original legislation establishing what is now the VR&E Program, there have been several pieces of legislation that have made the program what it is today.

- 1918—Public Law 65-178 expanded eligibility for other disabilities that were vocationally “handicapping.”
- 1943—Public Law 78-16 established the vocational rehabilitation program for veterans of World War II.
- 1962—Public Law 87-815 authorized vocational rehabilitation benefits for veterans who served during peacetime, but created more restrictive eligibility criteria for those who served in peacetime as compared to those who served in World War II or the Korean Conflict. Veterans with 10 percent and 20 percent service-connected disability were not eligible for vocational rehabilitation.

- 1974–Public Law 93-508 relaxed eligibility and entitlement provisions of the program to allow 10 and 20 percent service-disabled veterans to receive vocational rehabilitation benefits.
- 1977–Public Law 95-202 directed VA to engage in greater efforts to encourage veterans to use vocational rehabilitation and counseling services. This change and the subsequent legislative change in 1980 were the result of Congressional scrutiny of the program.
- 1980–Public Law 96-466 changed the purpose of the program to include independent living and services necessary to ensure that veterans with service-connected disabilities not only obtained but maintained suitable employment. This legislation also changed the success criteria for the program to achievement of suitable employment and provided for intensive outreach and comprehensive, individualized plans for rehabilitation services.
- 1990–Public Law 101-508 eliminated entitlement for veterans with a 10 percent service-connected disability.
- 1993–Public Law 102-568 changed the law again so that those with a 10 percent service-connected disability were once again entitled to benefits.
- 1996–Public Law 104-275 limited participation in Self Employment and Home Bound Training to veterans with severe service-connected disabilities who require self-employment to achieve vocational rehabilitation.

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This legislative history has consistently broadened the scope of services to be provided by the program and continually changed the eligibility of 10 and 20 percent service-connected disabled veterans for vocational rehabilitation benefits. It is also important to keep in mind that until 1980, successful rehabilitation was defined as the completion of training for suitable employment, not actual employment. A more detailed narrative on legislative history is contained in Appendix 9.

### *Evolution of the VR&E Service*

VA’s vocational rehabilitation programs evolved after the two World Wars, the Korean War, and the Vietnam Conflict. During this period, the organizational structures to administer the rehabilitation program also changed. In the past, vocational rehabilitation was part of various VBA organizations such as the Veterans Services Division that was composed of full-time, career benefits counselors who met face-to-face with veterans. This structure integrated VBA’s counseling workforce. This division was disbanded in the mid-1990s and the Compensation and Pension Service assumed responsibility for staffing what are now called Contact Teams at each Regional Office. In this model, there are no longer full-time, career benefits counselors. At one time, vocational rehabilitation was also in the same structure with what is now VBA’s Education Service. Since the mid-1980s, VBA’s vocational rehabilitation organization has not been stable in terms of structure and alignment within VBA. In 1986, the Vocational

Rehabilitation and Counseling Service was again combined with the Education Service. The perception that Chapter 31 is an education and training program

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has been reinforced through the years given VR&E’s alignment with the Education Service.

In 1990, the Vocational Rehabilitation and Education Service was reorganized as the Vocational Rehabilitation Service. In 1993, the name of the organization was changed to the Vocational Rehabilitation and Counseling Service. More recently, in 1999, the name of the Central Office

organization and field structure was changed to the Vocational Rehabilitation and Employment Service. Over the past two decades the reorganizations, realignments, and name changes do not portray a stable organization. This may in part be one reason that the purpose and intent of the 1980 legislation that fundamentally changed the program have not been fully implemented.

### **Past Criticisms**

VA’s Vocational Rehabilitation and Employment Program has been the subject of continuing criticism. Since the early 1980s, there have been at least 24 separate external and internal reviews, reports, and audits of the program. A summary of these reports appears in Appendix 6. Task Force members or staff reviewed these documents as part of its fact-finding efforts and identified a number of recurring themes that resonate throughout these reports. Themes are:

- Weak VBA and VR&E Central Office leadership and accountability.
- Lack of program direction and outdated policies and procedures.
- Limited data and analysis to effectively manage the program.
- Emphasis on long-term education for veterans rather than a priority focus on employment.
- Low success rates and a high attrition rate of program participants.
- Failure to provide follow-up support for “rehabilitated” beneficiaries.
- Poor planning and implementation of improvement projects.
- Failure to effectively coordinate nation-wide partnerships with VA and DOL.
- Need for a more aggressive and proactive approach to serving veterans with serious employment handicaps.
- Outdated work process techniques.
- Lack of comprehensive rehabilitative services.

The most significant and persistent criticism has been that VR&E has still not fully implemented the type of changes – program, organization, and work processes – necessary to comply with the intent of the law, that is to provide suitable employment for veterans. This is not the first time that an independent group has reached this conclusion. In its 1999 report, *The Congressional Commission on Servicemembers and Veterans Transition Assistance*, identified major

deficiencies in all federal programs serving veterans including serious problems with the Vocational Rehabilitation and Counseling Service (as mentioned above, the name change to Vocational Rehabilitation and Employment occurred in 1999). The Commission concluded:

*“...if VA has not made significant improvements in achieving the program’s employment purpose in 2 years, the Commission recommends that the responsibility for delivering the services be opened to full competition to outside entities.”*

These criticisms have increased in recent years in reports from the General Accounting Office (GAO), the Veterans Service Organizations’ Independent Budget, VA’s Office of the Inspector General, and from VR&E internal reports.

The Task Force commends the VR&E Service for the efforts that have been taken, particularly in the most recent past, to refocus its efforts on employment. Beginning in the mid-1990s, the VR&E Service initiated a number of internal Task Forces and projects with the intent of reforming the program. These efforts were well intended, but in the view of the Task Force, these efforts did not focus on the fundamental problems impacting improved performance nor were they effectively planned and managed. As a result of unsuccessful reform plans combined with reduced program management and oversight by Central Office, the VR&E Officers in the field have been left to individually implement the program with little direction from Central Office.

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### **Task Force Charter**

In 2002, the Under Secretary for Benefits expressed his concerns about whether or not the VR&E program was meeting the intent of the law as it relates to the rehabilitation of service-disabled veterans, and if the VR&E Service was providing appropriate management oversight of the program. Because of these concerns, the Under Secretary for Benefits recommended to the Secretary of Veterans Affairs that the Secretary establish an independent task force to review the VR&E program. The Secretary of Veterans Affairs approved this recommendation in December 2002, and a charter for the VR&E Task Force was signed in May 2003.

The Secretary appointed 12 members to the Task Force and membership represented a diverse group of public and private sector experts from the disability, veterans service organizations, vocational rehabilitation, clinical, and consulting communities. The Secretary of Veterans Affairs appointed the Chairman and Task Force Executive Director; the Veterans Benefits Administration provided a liaison for all Task Force requests. The VR&E Task Force members are identified, along with biographical sketches, in Appendix 2. The Secretary’s charter (Appendix 1) called for the Task Force to:

- Conduct a functional and organizational assessment of the VR&E service.
- Evaluate eligibility criteria, procedures, and processes for determining

how a veteran is approved for training, employment, or independent living services.

- Appraise current VR&E processes, information systems, and management controls.
- Determine consistency in the administration of the VR&E Program across VBA regional offices.
- Examine clinical rehabilitation practices and employment placement services used by other federal, state, local, or private organizations serving disabled persons, including veterans.

At the first Task Force meeting, the Secretary directed the members to

*“...give our program an unvarnished, top to bottom independent examination, evaluation and analysis...I want to ensure that veterans, and America, receive the maximum return from the dedication and energy invested by VA employees who have dedicated their lives to transforming disabled veterans into productive participants in civilian society.”*

The Secretary further asked the Task Force to recommend effective, efficient, up-to-date methods, materials, metrics, tools, technology, and partnerships to provide disabled veterans the opportunities and services they need for working and living productively in the 21st Century.

### **How the Task Force Worked**

The work of the Task Force was carried out through a series of public fact-finding sessions, field visits, and analyses of previous studies and reports on the VR&E Program. Task Force members were organized into three subcommittees to conduct fact-finding research. Each of the following subcommittees considered ways to make VR&E a key player in building a “One VA solution” – a VA that works internally and externally to provide a seamless continuum of service for veterans, especially those with service-connected disabilities:

- The Internal Assessment Subcommittee reviewed the organizational structure, leadership and management, policy development, internal processes, workforce issues, measures, and information systems for the purpose of proposing sound business principles for managerial and data systems.
- The Service Integration Subcommittee assessed the independent living program and other services and proposed reforms across the Department of Veterans Affairs and other partner agencies as needed in order to serve those veterans who are most in need of the service.
- The Employment Subcommittee evaluated both internal (VA) and external (non-VA) employment services in order to propose state-of-the-art practices that would focus the VR&E Service on job placement as the measure of success.

### ***Task Force Fact-Finding Activities***

The Task Force held three public fact-finding meetings in Washington, DC to solicit the comments and recommendations of Congressional Committee staffs, the General Accounting Office, Veterans Service Organizations, Veterans Benefits Administration, and partnership organizations such as the Veterans Health Administration (VHA) and the Department of Labor (DOL). The Task Force also received public comments from a variety of professional organizations and private sector national firms prominent in the fields of disability, rehabilitation, and employment of persons with disabilities. Task Force subcommittees worked independently and together to integrate the results of their work. Appendix 3 identifies the individuals and organizations that provided comments to the Task Force.

Fact-finding activities also included a total of 17 field visits. To facilitate these field fact-finding activities and to achieve consistency in its analysis, the Task Force developed an interview guide and a standardized agenda for site visits. (See Appendix 4.) Field activities included visits to 12 VA

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Regional Offices where the Task Force conducted interviews with VR&E staff and held focus group sessions with veterans service organization representatives, VR&E contractors, and Chapter 31 participants. Field visits also included trips to the Veterans Benefits Academy, the DOL National Veterans Training Institute, the Tampa VA Medical Center, the Walter Reed Army Medical Center, the U.S. Navy Medical Research Center, and the Department of Defense Computer/Electronic Accommodations Program (CAP). In addition, Task Force members conducted interviews with current and former VR&E Central Office staff and two expert panels composed of VA Regional Office Directors and VR&E Service Officers.

Additionally, the Task Force encouraged the VR&E staff to submit their comments and suggestions, with the promise of confidentiality, to the Task Force Executive Director on what works and does not work in the VR&E Service. The Task Force received dozens of email responses providing about 100 pages of insightful commentary based on the experiences of vocational rehabilitation counselors and other staff in the field. The Task Force wants the VR&E staff to know that each response was carefully read and considered. The Task Force greatly appreciates the field’s dedication and desire to see improvements in how the VR&E Service does business. A synopsis of VR&E staff comments is provided in Appendix 5. In addition, VBA’s Surveys and Research Staff discussed comments from veterans participating in the Chapter 31 program on the 2002 Veterans Satisfaction Survey. Survey comments are summarized in Appendix 7.

### ***Past Studies and Reports***

The Task Force or staff reviewed past studies and reports that have been produced on the VR&E Program over the past two decades by the Congress and Congressional oversight committees, Veterans Services Organizations, the General Accounting Office, and the Office of the VA Inspector General. VR&E internal evaluations, VBA customer surveys, and the Department’s Strategic

Plan were also reviewed. The Task Force looked at regulations and other policy guidance that provide the basis for the VR&E Program. Additionally, the Task Force explored the changing world of employment, 21st Century approaches to vocational rehabilitation, emerging technologies, society's growing focus on ability as opposed to disability, and other forward-looking themes.

### ***Study Constraints***

The work of the Task Force was impacted by two constraints – (1) the lack of consistency, standardization, and management of VR&E practices across all VA Regional Offices and (2) the absence of enriched workload, operational, and performance data to include longitudinal information on Chapter 31 participants. Task Force site visits revealed the administration of the VR&E Program to be inconsistent. We found vast differences in the philosophy and purposes of the VR&E Program and how services are delivered locally. The Task Force also noted differences in the management capabilities among the VR&E Officers and supervisors. It was apparent to the Task Force members who made site visits that the VR&E Central Office leadership and management style over the past decade has been timid in demanding and enforcing standardized policies and procedures.

Another constraint that impacted the efforts of the Task Force was the limited amount of data that has been collected over time on the VR&E workload, the veterans being served by the program, and the long-term outcomes of the program. The data that does exist has not been organized, analyzed, and widely disseminated so that VR&E Officers in the field can use the information in a consistent and productive way. Based on Task Force interviews, it appears that the VR&E capabilities for data collection and analysis have been allowed to atrophy over a number of years.

The Task Force expended a significant amount of time and effort delving into the available data in order to gain insight into the VR&E Service workload and veterans being served. While the Task Force recognizes the limitations of the data, we believe that the data presented in Chapter 3 and Appendix 8 provide a reasonable picture of the VR&E workload, veterans being served, and overall performance of the organization.